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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON

OCT 8 1993

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OCT 12 1993

Honorable Michael G. Oxley
House of Representatives
2233 Rayburn House Office Building
Washington, DC 20515

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Congressman Oxley:

Thank you for your letter expressing concern about how our new cable regulations may affect small rural cable operators.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration. Your comments will be placed in the record of these proceedings.

In addition, I wish to reiterate my own concerns about the regulatory impact of the 1992 Cable Act on small cable systems, especially those not affiliated with any MSO. I have directed the staff to explore a number of alternatives designed to alleviate the burdens that would otherwise be imposed on small systems to insure they remain a viable part of the telecommunications infrastructure. I assure you that the Commission is making every effort to minimize any negative repercussions for small operators resulting from re-regulation, within the bounds of the discretion provided to us by the Act itself.

Finally, I want to thank you for your kind comments complimenting this agency and for your continued support of our efforts to implement the 1992 Cable Act.

Sincerely,

James H. Quello

James H. Quello
Chairman

Enclosure

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OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OCT 8 1993

Honorable Jack Fields
Ranking Minority Member
Subcommittee on
Telecommunications & Finance
Committee on Energy & Commerce
House of Representatives
564 Ford Office Building
Washington, DC 20515

Dear Congressman Fields:

Thank you for your letter expressing concern about how our new cable regulations may affect small rural cable operators.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration. Your comments will be placed in the record of these proceedings.

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Finally, I want to thank you for your kind comments complimenting this agency and for your continued support of our efforts to implement the 1992 Cable Act.

Sincerely,

A handwritten signature in cursive script, reading "James H. Quello".

James H. Quello
Chairman

Enclosure



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OCT 8 1993

OFFICE OF
THE CHAIRMAN

Honorable Paul E. Gillmor
House of Representatives
1203 Longworth House Office Building
Washington, DC 20515

Dear Congressman Gillmor:

Thank you for your letter expressing concern about how our new cable regulations may affect small rural cable operators.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Our customer service standards are also under reconsideration. Your comments will be placed in the record of these proceedings.

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Finally, I want to thank you for your kind comments complimenting this agency and for your continued support of our efforts to implement the 1992 Cable Act.

Sincerely,

A handwritten signature in cursive script that reads "James H. Quello".

James H. Quello
Chairman

Enclosure

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Congress of the United States
House of Representatives
Washington, DC 20515

August 4, 1993

The Honorable James H. Quello
Acting Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Quello:

We are writing to express concerns regarding the implementation of the Cable Television Consumer Protection and Competition Act of 1992 (the Act). We are concerned that the current regulations may impair the delivery of cable service by small rural operators.

Congress took into account the unique burdens on small cable operators when it drafted the Act. In fact, it specifically mandated in Section 623(i) that the Commission shall promulgate regulations designed to reduce the administrative burden and cost of compliance for cable systems that have 1,000 or fewer subscribers. However, the current rate benchmark scheme could restrict limited revenue streams available to small systems. Small systems should be allowed discretion within the regulations in order to adjust their rates within the benchmark cap, thereby allowing them the flexibility to generate capital.

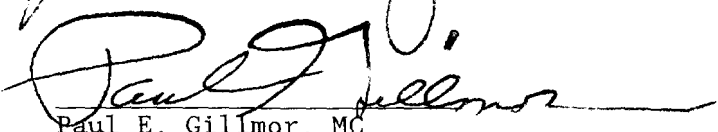
The customer service standards contained in the Act are also an encumbrance to the small systems. These standards, such as the telephone answering and hours of operation requirements, will strain the limited resources of smaller systems. In many cases, these systems would have to purchase new equipment or hire additional employees in order to comply with the Act. Furthermore, these small rural systems are not the egregious offenders whose actions the regulations were intended to remedy. Perhaps the regulation and monitoring of service standards should be left to local authorities who understand the unique circumstances of the area.

The service provided by the small operators to rural areas is invaluable and should be encouraged. The Act provides the Commission with the discretion to create regulations which will not hinder the development and growth of smaller systems. This, in turn, will benefit the subscribers to these systems.

Thank you for your consideration.

Sincerely,


Michael G. Oxley, MC


Paul E. Gillmor, MC


Jack Fields, MC